

International Relations Task Force Meeting Federal Relations (Federalism) Working Group Annual Meeting

The Hilton Anatole * Metropolitan Ballroom * Dallas, TX
Thursday, July 31, 2014 ~ 2:30 p.m. to 5:30 p.m.

*Public Chair: Representative Tim Moffitt (NC)
Task Force Director: Karla Jones*

Meeting Minutes

Welcome – Approval of the Minutes from the SNPS Meeting

International Relations Task Force

Presentation: Taipei Economic and Cultural Representative Office Presentation

It is the 35th anniversary of the passage Taiwan Relations Package, which governs the relationship between Taiwan and the United States. Unofficial, yet strong relations have never been better. Over the past five years, the U.S. has been meeting over three occasions in regards to putting forth buying coal for over \$18 Billion. The secretary of Homeland Security has designated Taiwan as a participant in the Visa Waiver Program, effective November 1, 2012 – this increases total Taiwanese entries to the U.S. by over 30%. It is estimated that these have contributed over \$1.5 Billion to the U.S. economy in 2013. The U.S. is Taiwan's 3rd largest partner for trade in goods, while Taiwan is the U.S.'s 12th largest partner. The U.S. is largest source of direct investment in Taiwan, aggregate estimate of over \$23 Billion as of January this year. The countries have been making negotiations under the Trade and Investment Framework Agreement. Due to open door Visa program, Taiwan is the 6th largest place of origin for international students for the 2013 academic year, Taiwan is eager to accept U.S. students in this cooperative relationship.

Moving to the Trans-Pacific Trade Agreement: Taiwan is negotiating relations between the U.S., Australia, Canada, Vietnam, Brunei Darussalam, Malaysia, New Zealand, Mexico, Peru, Chile, and Singapore. It's inclusion in the TPP would lead to a more efficient trade (large supplied of electronics) overall in the area and increase the reliability of the free trade agreement as well as make it more powerful, and particularly beneficial to industries here in the United States. Taiwan is the 6th largest importer of agricultural goods into Texas. Allowing Taiwan to join the TPP would be much appreciated and would provide assistance.

1. “Draft Updates to Resolution Urging the Presidential Administration to Launch Negotiations for a Free Trade Agreement with Taiwan”

Q: Motion to accept changes (except in lines 80 & 81) and insertions

Vote: Public Sector: no opposition
Private Sector: no opposition

Q: Motion to move to approval of legislation

Vote: Public Sector: no opposition
Private Sector: no opposition

Federal Relations Working Group (Federalism)

Presentation: Update on State Efforts toward an Article V Balanced Budget Amendment

Article V is an example of the states really beginning to assert and take back the sovereignty preserved to them in the U.S. Constitution. The last 18 months have seen an incredible amount of activity in the area of proposing one or more Constitutional amendments for the purpose of reigning in the federal government. The idea being, of course, that federal government is dysfunctional, out of control and is not going to cure itself. The founders inserted lines in Article V of the Constitution specifically to allow the states to respond to this kind of situation. Within the Constitution Article V is not the only device protecting federalism, but many of the Founders considered it to be the most important. In 2012, the New Hampshire legislature adopted a formal application to Congress, under Article V, for a convention limited to proposing a balanced budget amendment to the Constitution. Late last year, the Ohio legislature there was a recommendation of their case and by a strong bi-partisan majority similarly applied to Congress for a balanced budget amendment. The next state to act was Tennessee, also for a balanced budget amendment – the vote in the Tennessee Senate was unanimous; the vote in the House was something like 89 to 1. That was followed by action in Michigan and then in Florida. Florida passed not one application, but 3: (1) for balanced budget amendment, (2) to impose upon Congress the same rule that already exists in something like 41 states that is a rule saying that Congress cannot consider more than one subject in a bill, (3) the convention of states application which would authorize the convention to consider any amendment that would impose fiscal restraints on the federal government for post-term limits on federal officials or reduce the size and jurisdiction of the federal government. Georgia also passed the convention of states application. In addition, Alaska and Georgia have passed a balanced budget proposal on steroids. California and Vermont have also both passed applications for conventions limited to considering campaign finance reform. We have not had a convention on imposing state sovereignty back to the states since 1922 or a general convention in which all states are invited since 1961.

Last year, a group of state legislators met in Mt. Vernon, VA to begin the planning process known as the 'Mt. Vernon Assembly'. Last month they met again in Indianapolis, with the meeting made up of 33 state legislators and will be meeting again later this year. They took two very important stances: (1) to ensure access to the convention for proposing amendments, each state would have one vote; (2) the rules of the convention would come from Mason's Manual, which is the Manual we use in 70 of the 99 legislative bodies. If you Google 'Rob Natelson, Independence Institute' you'll find a document called 'Article V Opinion', it is a very large legal treatise that is designed to guide legislators and counsel in the convention process. We are potentially on the cusp of a Constitutional moment.

Q: If a state has not passed something to be part of that, can they participate in the convention?

A: If a state has not yet applied, can it participate in the convention itself? The answer to that is, yes. This is what we call a general convention meaning that all the states have been invited. In that respect, it is something like the Constitutional Convention of 1787 or the Philadelphia Price Convention of 1780 or the Washington Conference Convention of 1861. All of the states were there; all can participate in the process.

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Presentation: Hot Topics in International Trade

Discussion of Reauthorization of the Export-Import Bank and Trade Promotion Authority

Export-Import Bank charter expires on September 30, 2014. Roughly 60 countries provide this service to their businesses, and if we do not provide this service (ensuring loans for the purpose of making deals with customers in other countries) American jobs will go away. The failure to reauthorize the charter will effectively export jobs from America to other countries. The Export-Import Bank paid a dividend of \$1.2 Billion directly into

the U.S. Treasury last year. Some opponents would lead you to believe that proponents of renewing this is a matter of big business vs. small business, and that is just not the case. The Ex-Im Bank does not fund money, they provide credit insurance with payment of a premium. Once they provide this, it is sold to a commercial bank providing liquidity to the company. For small businesses this is extremely important, usually the only place to turn. Not only does it help reduce our national trade deficit, it also helps reduce our national deficit. It allows commercial banks to take a little bit larger risk than they would normally be able to take according to bank policies. Ex-Im bank has over \$4 Billion in reserves to protect against losses.

Q: Could you speak to how reauthorizing the Ex-Im bank would fit within ALEC's '3 Pillar' mission of Federalism, Free-Markets, and Limited Government?

A: In terms of free-markets, we are certainly supporters of free markets and free trade. I think the fact of the matter is that they don't exist in terms of trade or support that other countries are giving to their exporters. As far as federalism is concerned, it doesn't necessarily apply to this particular issue because it does involve foreign trade, so we think it would be an appropriate role for the federal government rather than the states.

Q: I think the pillar that you missed that has been in the news was limited government?

A: Again, I would just say that certainly we would be supportive of limited government, but it's about competition. If we want to get the business, we have to meet or beat the foreign competition, 95% of our customers exist outside of the U.S. so this, in our opinion, is an appropriate role to lend a helping hand to companies so we can keep jobs here in the USA.

Presentation: LNG Exports – A Window of Opportunity Is Closing

U.S. has incredible opportunity with shale plays; we are now the largest natural gas producer in the world. We now have the opportunity to be an energy exporter with the tremendous natural gas supplies that have been unleashed. In many parts of the U.S. it is very difficult to get the gas out because of bottlenecks and the pipeline infrastructure not being in place. It could be an incredible foreign policy opportunity since many parts of the world currently depend on Russia and the Middle East for the energy supplies. The pace at which the government is approving export permits for LNG is woefully slow, it is taking years for them to get issued, and the process is archaic. If Americans are going to meet the opportunity and take advantage of it for long-term export markets we need to speed this process up or at least have a more reasonable process for getting these export licenses issued – the government needs to act much quicker. The states need to let the federal government know that they need to issue these permits, and that the opportunities to get a foot hold in these markets around the world is a *limited* opportunity. There are huge investment decisions, \$86 Billion in net benefits to the U.S. economy from LNG exports; it could create up to 450,000 jobs. It helps sustain the development of our oil & gas resources for the long term; it is really something we need to help continue the growth and viability of our domestic energy industry.

Q: This morning we had a presentation on the number of EPA regulations and things that are happening that are devastating a lot of our energy industries, do you see any part of what's happening in slowing this down as part of what seemed to come out of that presentation as a concerted effort to shut off fossil fuel production/energy? Do you see that and what do you plan to do?

A: I think there are a lot of signs; you look at the Cove Point Facility in Maryland which has been made very political and you see plenty of NGOs out there really targeting that facility – it's near a population area, it's near D.C., it's a rich target. We look at the different ways that opponents of domestic energy production have targeted (ex: Keystone Pipeline, etc.), increasing oppositions. We see it in the area of oil and gas activities offshore and we are seeing it being focused on LNG now as well so what we see happening is a lot of the money that is being spent on trying to stop the Keystone Pipeline, we see LNG as being one of the next targets & there is definitely a correlation.

2. "Draft Resolution in Support of Expanded Liquefied Natural Gas (LNG) Exports"

As outlined by the presentation, we are experiencing a boom in natural gas production. In 2013, at an ALEC conference we accepted a draft resolution asking for the limit of export control policies. The one today is simply a companion piece drafted to address those issues specific to LNG. The word 'jobs' is used in this very brief document 6 times and most significantly on page 2, line 61 and 62 addresses the fact that 30 LNG production facilities have applied for export permits and only ONE has been approved. The purpose of the resolution is to encourage our federal government to limit practices that prohibit exports of LNG and to streamline the permit process.

Q: Motion to move to adoption of the Resolution

Vote: Public Sector: no opposition
Private Sector: no opposition

Q: I support this completely, would you think about drafting this saying that you support safe transportation or something like that to sort of help in the states that we have a lot of people unhappy about this, though I don't agree with them it's a fact of life.

A: I'm sure that would be a reasonable accommodation that could be a suggested provision.

Response: I don't have the terminology, but something that could be developed quickly to assure responsible transportation.

Q: Motion to trail the discussion and come back to it in order for them to develop the right terminology

Vote: Without objection

Presentation: Conservatism Rising in the European Union

Member of the European Parliament guest presents a 90-second video which was produced ahead of the European elections that took place in May of this year. I believe that Britain's future is as a great global trading nation, but I believe the EU membership is not helping us in that role, in fact it is holding us back. Let me tell you what my 4 million constituents are telling me in the UK: they're saying they've had enough of the European Union, they're sick to death of paying for it, of its petty rules and interference, they think it does them more harm than good, they believe they would be better off out. Colleagues, as Oliver Cromwell famously remarked, "you have sat here too long for any good you may have been doing. For God's sake, GO!"

You can imagine what things are like in Europe, you live in a stultifying environment of corporatism and welfarism. I've always likened coming to ALEC to 'coming up for air'. Over here we (2 of his colleagues are with him) find a wonderful sense of liberation and vindication at finding we are not necessarily in a beleaguered minority. That there are, over here, real people who have a real understanding of real issues, people who share our values and our objectives, people who seem to understand politics and understand economics and tax issues.

About 2.5 years ago, I found myself falling out of love with the British Conservative Party. Now I'm stressing Conservative with a large 'C', I still cling to conservative values with a small 'c' but the Conservative Party, I would suggest to you, is rapidly becoming just another social-democratic party like the British Labor Party or British Liberal Democrats. For me there were 2 critical issues: (1) issue of freedom and independence, in particular the freedom and independence of my country, rather than being governed by foreign technocratic and unaccountable institutions in Brussels. To give you a flavor of what this is like imagine that I came to you today and the day of the nation-state is really over and I think you should establish a North America super-national institutions including Canada, Mexico, and a few other countries, and you should give up the dollar and have a shared currency and you should have new super-national institutions that would make 75% of the laws that would affect American citizens. You would think I've gone mad, and yet that is EXACTLY the situation of my country in the EU. (2) Issue of energy. We are doing vast damage to the European economies, generally, and to the British economy with completely irrational energy policies. Why are we so concerned about the EU? Well I've mentioned the fundamentally anti-democratic nature of it, the way it takes away the right of the people to vote for their own representatives to make their own laws. Well okay, you can say 'the European Parliament is elected,' but it is elected on a system that preferentially selects supporters of the European project and, in any case, it is the only

elected chamber amongst three (3) major and many minor institutions that operate the incredibly complex and opaque bureaucracy of the European structure.

What is wrong with Europe? Everybody in the major international organizations, the U.N., the World Bank, the OECD, even the European Commission see, in their long-term economic projections, that the EU is in long-term, relative economic decline. That is not an opinion from an obscure euro-critical party, that is the opinion of major international organizations who specialize in these areas. There are lots of reasons for that, of course, one of them being demographics. But there are major, major, major policy errors in Europe which are driving down economic performance and actually driving investors, businesses, and jobs out of Europe altogether. Major companies like Siemens in Germany and INEOS (one of the largest chemicals companies in the UK) are going to the European Commission and saying 'unless you do something about energy prices, we will move our businesses elsewhere'. BMW recently had a choice of siting a new plant in Germany or in America, guess what? They came to America, not particularly because their market was there, but precisely because energy prices are much lower in America than they are in Europe – and for Heaven's sake, you've got to knock the EPA on the head otherwise you're going to have the same problems that we have. As you know, I am excited about energy because I am the energy spokesman for the Party and you'll have to shut me up because I could talk about energy until six o'clock, but that is only one policy area that is creating these fearful problems.

The second policy area, of course, if the Euro currency which was never a serious economic policy, it was always a political policy. Economists 15 years ago, and indeed some politicians (I include myself as one), were saying 'this policy cannot work'. A single currency covering disparate economies with no lender of last resort cannot be successful, it will create huge imbalances that will do vast damage – and guess what? We were right. And I don't know to what extent you are familiar with the disaster in Europe, which the Euro currency is primarily responsible for creating. Did you know that youth unemployment in Greece is currently running close to 60% and in Spain and in Italy it is not much better? The whole of southern Europe is suffering from this policy. You may say 'is there a solution?' Yes! There are solutions, I know of three solutions which could be made to work: (1) long-term, major, permanent fund transfers from rich countries in Europe to poor countries, or in simple terms, from Germany to Greece, Italy and Spain. The only problem with that, of course, is that the German taxpayer has just spent 25 years subsidizing Eastern Germany trying to get it back on track with remarkably sad results and in fact the main result is that the people in East Germany have moved to West Germany, the actual economic recovery of East Germany is still somewhat delayed. That would work in economic terms, but it is obviously, totally unacceptable to the voter and cannot be made to work in a democratic society. There is another solution, (2) long-term, grinding deflation in southern Europe. This would work in economic terms, it will not work in political terms – there is already great unrest in parts of southern Europe and some rather unpleasant parties emerging from the wood-work, in Greece particularly. The third solution is to (3) dismantle the Euro currency and break it up into smaller units. Why can't they do that? Because there is too much political capital tied up in it, therefore nobody has the courage to stand up and say 'okay guys, sorry, we did our best, we got it wrong, we better reconsider that decision and move some way back to the status quo ante'. They can't do that, so I do not see a practical, workable solution to the Euro crisis.

Going beyond that, there is the issue of over-regulation. I was talking to some American companies over lunch today and they were discussing the very serious problems they were facing, particularly in the internet area but I'm sure the same would apply in many different areas – grossly over-onerous and over-regulated economies that cannot grow, cannot deliver and which are inimical to jobs.

You have to build political structures that reflect the identity and aspiration of the voters. You see in the Middle East, in Africa, particularly where the chancelleries of Europe drew straight lines on maps in colonial times in the 19th Century, completely disregarding tribal, ethnic, loyalties and identities, completely ignoring topography, mountain ranges, and rivers – they just drew straight lines on maps and many of the problems we face in those areas are the result of these completely artificial structures. I would suggest to you that the European Union is exactly one of those artificial structures. We are told that a large EU, with half a million citizens, has enormous clout in the World and enormous economic strength. Well the clout in the World, we've seen over and over again and we are not impressed. If you remember the beginning of the problems we had in Iraq, Europe divided between countries that were keen to go in and countries that were not keen to go in – Europe didn't have a common policy because it was 28 member-states and those member-states, naturally enough, took different views.

We now have a situation in Ukraine, which is extremely interesting and I think the EU bears a great measure of responsibility for what has happened in Ukraine because the EU decided that Ukraine was next on its shopping list as a new member, they are passionate about growing their project and poor countries are quite likely to be very keen to join because they see a lot of money in it. And, if you go and stomp around in Mr. Putin's backyard, you may well annoy him and that is what we have done. I hold no brief for Mr. Putin, but I think we could've predicted that he would've reacted as he did and create the crisis. He took the view that Europe is a paper tiger and would not react, and I'm afraid at least in the short term, he got that one right. You now have Germany which is worried about its gas supplies, can you believe that a German chancellor left office and within a few weeks took a paid job with Gazprom? I mean, you couldn't make that up – if you put it in a novel no one would believe you. France is concerned about its arms sales, we're worried about Russian aggression in the Ukraine and other adjacent areas and so what does France do? It sells arms to Russia. In the U.K., we're worried about the city of London and our financial services industry, so we're all trampled by these things. And in the Baltic States they have always been in desperate fear of the Russian bear on their border, indeed that is one of the main reasons they agreed to join the EU. So, Europe doesn't have a consistent policy on any major foreign policy issue, therefore the 'clout' that it claims to have is dissipated.

Europe is absolutely failing in those terms, that is why we are seeing across Europe the rise of Euro-critical parties – it is NOT just in the U.K. Again, we hold no brief for the national front and I would disagree with the French national front on a huge range of areas but nonetheless, they have been elected and very successful on a Euro-critical ticket. Even Germany, the alternative for Deutschland have been very successful (for Germany) and other Euro-critical parties are arising elsewhere.

I should've talked about TTIP, which is the most exciting economic development in terms of the Trans-Atlantic relationship, but time does not permit. Can I just conclude by referring to the traditional American approach to Europe, it is said that Secretary of State Kissinger used to ask, 'when I want to talk to Europe, whom do I call?' And I can quite understand his problem because at the moment I am aware of at least 4 different people who can claim to be 'the President of Europe': the president of the Parliament, the president of the Commission, the president of the Council, the rotating National president of the Council. I would urge you to do two things: (1) DO NOT go down the European route of socialization and welfare and especially energy policy which Europe has done, you have seen the disaster it has caused – do not seek to emulate it; (2) equally important, please recognize that Europe remains and is likely to remain a group of independent nations with different interests, different attitudes, different foreign policies, it is a bit more work to deal with them as individuals rather than as a single lump but I promise you it will be worth the effort.

Q: Could you expand on the European position on climate control/change, are people buying into it?

A: You have this extraordinary situation, it's sort of like the 'emperor's clothes' thing. Let's go through the bad news: the European Union has enacted a whole range of legislation and emissions targets (overall emissions targets as well as by industry sector, in particular the auto industry), it has a thing called the European Large Combustion Plant Directive, on the basis of which we are closing down perfectly viable coal-fired power stations. So it has a disastrous policy, which repeated studies show will have virtually a zero-impact on CO2 levels in the long-term and virtually a zero-impact on climate, even if you accept the Al Gore position on climate, and will have and are having a dramatic impact on economics because of the high cost of energy which is causing large energy-intensive companies to literally move out and move new investment projects out of Europe. We in Britain seem to be enthusiastically following along that line which is one of the reasons I left the Conservative Party. I will say that there has been just the beginning of an indication that the European Commission is starting to understand the problem. Günther Oettinger, a German, is the Energy Commissioner for Europe and about 6 months ago he said Europe can no longer afford a unilateral climate policy. The next day Antonio Tajani, who was (just retired) the Italian Industry Commissioner, used some very strong language for a commissioner saying, we are creating an industrial massacre in Europe. The problem is that commission is going because they're at the end of their 5 year cycle, which we'll have new guys and we'll have to start educating them and the whole process will start over again. But I think the pressure is not coming so much from politics, but from industry, from major energy users and the Commission will see that they damage they are doing to European economies if just out of sight.

Q: Is there one central bank for the EU and who controls that?

A: There is the ECB, which is in a complicated position controlled by the treaties and there is a very interesting in the German courts at the moment because it appears from the German law that the German law would not allow Germany to participate in 'open-market operations' (buying up national bonds in order to support bond markets which is an obvious way to approach the crisis we've seen). So really no one quite knows what the powers of that central bank are but what it doesn't have is a great pot of money to bail people out with.

Q: What is the U.K.'s position right now on the Israel-Arab situation?

A: Well I think that Britain is sort of sympathetic to the position of Israel, and I have to say personally this is not my Party's policy necessarily we try to stay off issues that aren't immediately germane to the key focus issues that we have. My personal position, I've been to Jerusalem a couple of times, and see Israel as the only democratic and economically rational country surrounded by enemies who anything but democratic or economically rational therefore I would support Israel and I think that has been the position of the British government. By the way, the British government and the people share a considerable amount of responsibility for what goes on because we were involved in setting up the state of Israel to start with. I am very concerned that the current action in Gaza does make it very easy for the enemies of Israel to tell a very effective propaganda story against Israel. That puts Israel in a terrible bind because how do you fight a war and attack Hamas rockets without actually aggressively targeting the sites of the rockets? I think what you'll find going on in Britain is that the government is still on balance broadly supportive of Israel but is embarrassed by the negative publicity that is going on.

Q: As you suggested in the presentation, how might we 'knock the EPA on the head'?

A: I'm not sure I'm the best person to advise on a question like that. There are groups of people doing a great job at bringing the facts out. I'm sure many of your states have a coal industry and that industry is sustaining an awful lot of jobs so there's leverage there. Those are what we would call in Britain 'working-class jobs', I don't know if you would use the same term here. It tends to be those on the left who are passionately in favor of environmental policies; I should think they might be swayed by labor unions which would be an extremely good thing. Beyond that, I'm afraid it's your problem.

Q: I came to this country 50 years ago from Poland and am a U.S. citizen now. My view of what Mr. Helmer presented is not the same. Let's remember how European integration began after the Second World War – the purpose was to eliminate war between European nations. They said 'well let's create a big state to eliminate future wars which devastated Europe in the First and Second World War'. The view of most Europeans is different than Mr. Helmer's on European integration. For continental Europeans, European integration is salvation. In my view, the only thing that is bad about integration at this point is they are moving too quickly, there are too many things they want to do. I think that if they slow down, come to their senses and create something similar to the U.S., where the individual nations maintain and retain a lot of their own rights but at the same time stay united which would provide national defense then we could move forward and I am certain that the European project would move forward.

A: Firstly my comment would be to quote William Hague who said that, "the European Union was a 1970's solution to a 1950's problem." That may have been the objective when I was a baby in arms, fine, but I am not a baby in arms – the European Union has changed out of sight, that isn't the objective, and it isn't achieving it. It is undermining the security of Europe and dangerous opposition to the European project is, in fact, growing rapidly across Europe as I've said. So, public opinion is moving away from the European project and the broad answer is Europe is making us poorer, less democratic, and less free – and we've had enough of it.

Return to: **2. "Draft Resolution in Support of Expanded Liquefied Natural Gas (LNG) Exports"**

I propose an amendment to the Resolution to add between the ‘whereas on 64’ and the ‘whereas, therefore of 68’: ‘whereas, the producers of LNG are committed to production, transportation, and use of LNG products in a matter safe for citizens and respectful of the environment’.

Q: Motion to amend

Vote: Public Sector: no opposition
Private Sector: no opposition

Presentation: Digital Right to Repair – A Comprehensive Overview

If you own digital equipment and you are an owner of that equipment, your rights are under attack, they are diminishing daily – by policy changes, by lock downs. The way this started is I represent 158 companies that are small to medium sized businesses. These are companies that are entrepreneurs, that started their company, they believed in the American Dream. They believed that if they started a company and they worked really hard, that they could get ahead. Manufacturers of digital equipment are changing policies on a daily basis that will affect the right of those owners, who buy that equipment from them, that should be able to make choices on how it’s repaired, whether it’s re-used, whether it’s re-sold, and it be an asset – because they bought it. But, what’s basically happening is that these policies are locking down those rights so that the manufacturer is going to be able to control that piece of equipment until it’s thrown in some e-waste somewhere that’s collected and continues to grow because they can’t have it repaired, they can’t re-sell it, they can’t re-use it. So that asset basically goes away. The freedom, the free-market, the free choices are basically being diminished. We do have some legislation that has started in one state and we’re working with some few other legislatures from other states to try to correct this problem.

If you buy a piece of equipment, shouldn’t you have that information? Shouldn’t you know, shouldn’t there be something that tells you, ‘oh, well, I made this equipment, and even though you bought it we’re still going to control how you use it, whether you sell it’ and all those things?

Since we last got together is we were well supported in South Dakota that brought a ‘right to repair’ bill. We learned how the legislative process works and what we did wrong. We encountered a lot of objections and we’ve learned how we need to understand how legislators look at this process. What you have in front of you is a refined version of what we have already attempted in South Dakota and we’re moving ahead with some other states that see this as a very strong consumer protection and a non-partisan one at that. The advantage to consumers – if you think about every time you get up in the morning to a digital alarm clock, to a coffee pot that’s programmable, to a refrigerator that has a chip, to your car that has a chip – as you move around your day you’re going to encounter a tremendous amount of products that now have chips in them. If you can’t fix them, ‘you’ meaning any of us, because the manufacturer wants to have a monopoly on the repair then it adds to your cost of everything that you do and everything that you buy. This is a problem for all consumers and it’s also a problem for business because business can’t control their costs unless they can have competition and the particular competition they need to have is competition for repair.

One thing I have learned is that people think that repair is a lot more complicated than it is and I’m going to say – it’s not rocket surgery. Depending on the model of phone you have, what we’re talking about when we say ‘repair’ we mean taking the back off, pulling the battery out that’s dead and replacing it with a new battery; if the glass is cracked, replacing the glass; if the chip is fried, you dropped it in water and needs to be replaced, replacing the chip. All of that licensing, all of the applications you downloaded, all the media and content – we don’t have anything to do with that. We are trying to make a very simple thing, which is repair, back to being simple and back to being something that can be a competitive activity in a free-market and open competition. The alternative is that all of your digital products are going to become monopolized and you will lose, very likely, control because all the incentives are on the other side. The business model is very attractive to manufacturers and they’re all learning from each other and all following each other. The day will come when you can’t get your refrigerator repaired without paying whatever the manufacturer commands. I wanted to try to personalize that for all of you because it is something that impacts everybody in your district, it is something that impacts the cost of your government and healthcare, and impacts your personal wallet.

It has been an interesting journey trying to meet all of the demands in legislation to try to avoid all of the conflicts with patents, trade secrets, copyrights, and liabilities and I think it all comes down to: what it means to own something. If you own it, if you were sold something, in our culture it means you get to do whatever you want with it. What we have really started out with a request here is that the first thing that you need is clarity of ownership and I really think that in a contract-sense that's a very reasonable request – that when you buy equipment that you know what it is you're buying and that if you're not buying things, you're made aware of what you're not buying. We think it is a very fair thing for people to know what they buy.

The next steps are a little more difficult because we actually have to say that electronics repair is very different than furniture repair. You cannot go in your backyard and fire up some kind of wood-working equipment and make a new table leg and call it a new chip – it doesn't work that way, these things are very complex, they're very small and it's not really something than any of us, as consumers, could possibly do on our own. The functional aspect of repair in the digital world is that you have to be able to buy parts, tools, diagnostics and most of these things have already been agreed on in a somewhat limited form by the Auto Alliance, who came to a similar agreement just this January. So there's quite a bit we can learn from that experience as well and hope we can pursue this further with you guys. If there's things that you'd like to see or if you have concerns we want to make sure that we can address them because like I said, it is not rocket surgery and we are not asking for anybody to disclose any secrets or expose themselves to any liabilities that they do not already have.

Response: The Alliance of the auto manufacturers, I think the only practice I can remember of the many industries that would be affected by this who are actually on the TF and speaking for beyond just the auto industry. As they indicated, 'right to repair' in the auto industry took about 10 years to work out. We suffered many scours from that, that we still carry, but we ended up making it a national law based on one state's legislation. The problem that we have with the proposal that we have in front of us now is they affect every industry out there and as a result: each of those separate industries will have a discrete set of issues that will need to be worked out. Not to speak to all of those or notwithstanding all of those, I think this is never going to get to the point where this is something that ALEC will endorse as a model law. This is not just the government telling a business how to run its business, its government telling a business how to run its business for the benefit of another business. Think about all of that for a second – that is a dramatic leap from what ALEC principles are. Moreover, for the people in the room who have traveled here in July to Dallas – we are supposed to believe that if these are, in fact, market problems, that these are market inefficiencies that consumers are not benefiting from, we are supposed to believe that the free-market will have an enterprising company step up, fill that role, steal market share and move forward. We just don't see this as limited government, we don't see it as free-market, and we just don't see that this is ever going to be something that ALEC endorses.

Response (to the above): We really want to work on these issues. So, don't think that we're not interested in dealing with particular concerns of whatever industry is because we think that at the bottom, it's really an ownership issue – and it's very NOT complicated.

Presentation: Updates on Bahrain

As most of you may know, Bahrain is a small island – it is actually comprised of 33 islands, during high tide we have fewer than that. But it is a lovely little island, very cosmopolitan, advanced, modern, westernized, a U.S. ally – the fifth fleet is based there. And, it is a very tolerant island country. It is a constitutional monarchy and all religions are respected, tolerated, and appreciated and are allowed to practice as is. The King has two houses of parliament: the appointed house and an elected house. The appointed house has every religion represented – Muslim, to include Sunni, Shi'a; Jewish; Hindu; Christian. Everyone is represented for a reason – the country is trying to set an example of tolerance and acceptance. The reason I am giving you this background is because I am seeking your support, we are seeking your support, with a provision in the free-trade agreement.

Bahrain has had a free-trade agreement with the U.S. since 2006. It has helped the U.S. businesses actually more so than the Bahraini side because Bahrain imports \$2 Billion worth of U.S. goods, a lot of it is automotive and also aviation. We have a small provision called the 'temporary tariff preference level'. It is a slight modification of the rule of origin to qualify a product to fall under the free-trade agreement and advantages. That little 'TPL' is due to expire in December 2015. What we are seeking is to pass a bill that would extend this TPL provision and benefits

for another 10 years. When the free-trade agreement was written in 2006 it was given a 10 year, temporary preference level – all we are seeking is an extension. I ask all of you to please help support us when the bill is introduced in Congress. Congressman Southerland has actually already presented a bill to that affect.

Recently, Bahrain has hosted an interface dialogue and invited a Rabbi, a Bishop, a Priest, a Hindu, and a Christian representation on the island of Bahrain in the midst of all the unrest in the region. So, I just want to assure you that we stand behind our principles. We are trying to take a long, but efficient road to an open democracy and we seek your support and assistance.

End of International Relations Portion – BREAK –

Return to: ***Federal Relations Working Group (Federalism)***

Welcome & Brief Update on the Federalism Subcommittee

.... One power, one thing – it was supposed to be everything that wasn't delegated. Please help me understand one thing that is reserved to the states to the exclusion of the federal government and then you'll be amused at the 'deer in the headlights' looks that you get as I have been seeing with my legislative council and attorney general's office in hearings, it's kind of amusing if you want to have some fun. But, you line it up as: everything that wasn't delegated is reserved to the states and yet these are the things that are happening. Can you please, Mr. Attorney General or Mr. Legislative Council, can you please share with me just ONE thing – was supposed to be everything – just one that is reserved, and that opens up a great discussion. I challenge, that is your homework assignment and your challenge. Again, thank you for the work that you're doing and let's move into our program. We have a very important subject to start with, not just for the West, it is now metastasizing out everywhere where we've grown the BLM and the Forest Service and these other agencies in the West. Now they're coming to the Red River Valley and everywhere else and you get to live our pain.

I just want to emphasize that it is my great pleasure and honor to introduce Commissioner Paulette Braddock, also Representative from the state of Georgia. She is the Commissioner of the Compact for a Balanced Budget, which is one of the Article V efforts. But more than any other, it's actually forming an interstate agency for the first time, to move Article V forward – to parlay potentially with Congress in the coming session if the Senate flips.

Presentation: 'Water Is Life'

Well, the EPA is turning its sights to dominating and controlling that core element of your autonomous sovereignty by issuing rules, supposedly interpreting current Constitutional law, to allow them to regulate access to and development of water ways and water sources that are entirely non-navigable, entirely intrastate, within your states. The reason why they're doing this at the EPA is that the Supreme Court has recently ruled repeatedly that they will defer – even Justice Scalia writing these opinions – they will defer to whatever interpretation of the Clean Water Act that the EPA comes up with, just about. This is completely crazy. What that means is the EPA is going to push the boundaries of any reasonable interpretation of the Clean Water Act. The western arid states, and even the eastern states that have water source and supply issues, are going to face a situation where potentially federal regulation of access and development of water will become just like filling in a wetland. You will have permitting that is probably going to be just as onerous as dealing with the Army Corps of Engineers, only it's going to be the EPA, which makes the Army Corps of Engineers often look like a bunch of boy scouts.

So folks, this is a serious problem facing the states and the reason why the EPA is going for this power grab is because water that is intrastate, non-navigable waters that have no significant connection to navigable waters is the last stronghold of exclusive state sovereignty over their lands, even if the water sources rise into what are 'reserved federal lands'.

The Supreme Court has held, in *United States v. New Mexico*, that for over 150 years Congress has had a policy of ‘principled deference’ to exclusive state sovereignty in that area and that decision stands today. The same laws that the Court was discussing in 1976 when it came down with this decision are the same laws that the EPA is interpreting today to try to grab that jurisdiction.

So how do you fight this, how do you fight agency deference? Well, we’re lucky because the Court still says that if you upset the usual Constitutional balance as an agency in issuing regulations between the states and the federal government, that there must be clear and unequivocal support for that regulation in the Congressional act. If there is not clear and unequivocal support for that regulation then the courts will not permit it, they will not allow it to displace state sovereignty.

What this amendment would do is allow states that are potentially affected by this coming storm of EPA regulation to say once and for all, ‘we are claiming our exclusive Constitutional jurisdiction as currently interpreted over our intrastate, non-navigable waters that have no significant connection to any navigable water source and if you want to come for them, bring it’. That will allow federal courts to say, ‘I am not going to defer to the EPA’s regulation because I have an equal and opposite duty to defer to state sovereignty in this context’. We will thereby force the courts to do what courts should do, which is simply read, interpret, and apply the law without a finger on the scale for anyone. So, that is the proposal before you and I would be happy to take any questions.

Q: So we allow the federal courts, which most of the time rule in favor of the federal bureaucracies, to give us a final determination as to our sovereignty?

A: This is a design of our Constitution, that the federal court system gets the final say on issues involving the relationship between federal and state power. So yes, we do have that structural disadvantage. We can’t resolve that quite yet, without using Article V perhaps, but in the meantime we can at least take away some of the fig leaves they use to justify ruling against the states.

Follow-Up: So, the rules that the EPA has that should be judged Constitutional or not by the Congress, the Congress is not doing that so we’re going to allow them to continue to do it until a judge at the federal level says it’s Constitutional or not. We need to be putting pressure on the Congress to deem those rules unconstitutional or out of bounds and if they don’t I think we need to be prepared to stand on our own as a collective group through compacts and fight it that way as well.

A: I totally agree with you, we have to start the fight somewhere and a great place to start is in a clearly Constitutional stance of codifying where the Constitutional law is today and then take a look at the piece of legislation because the enforcement mechanism is two-fold. (1) We prohibit any federal agency from overstepping the current Constitutional bounds without clear and unequivocal direction from Congress; (2) We prohibit the states and its underlying political subdivisions from any way cooperating with any such overstepping by a federal agency. We also allow for taxpayers to use the equitable powers of state courts to try blocking any effort by the federal agency or by a political subdivision in the state, to go along with this overreach. So, it’s not entirely defensive but it is squarely Constitutional because with this I’m just modestly trying to have the states set an initial line of defense to mark out their territory as currently defined by current law and to start a real, serious discussion that could lead to compacts that could lead to the Supreme Court, stopping their constant deference to whatever the Executive Branch does.

Q: If I may ask, how do you see that leading to compacts?

A: One of the great things about compacts is that, where states have a common and reciprocal interest, they can use these to coordinate their enforcement efforts and give each other mutual assistance and support. Very often in the western states, even if it’s a non-navigable intrastate waterway, it may impact other states non-navigable intrastate waterways without affecting other navigable waters. So, it is a natural subject for a compact to coordinate states in the resistance of federal overreach.

Comment: I just want to point out, how many are familiar with the *Sackett* case, do we have anyone from Idaho here? The *Sackett* case was a case in which a young family owned a lot in an existing mountain subdivision with a mountain lake where there were existing homes. They went in to build their home on their lot, where there were already existing homes and there was a creek running beside their lot and the EPA came in with a compliance order that said they could not excavate; the compliance order was under penalty of \$75,000/day

fines. The family went to go to court and the EPA said, 'no, you have no right to go to court because we've not enforced our compliance order yet'. So, the young Sackett family with the help of the Pacific Legal Foundation, spent 5-6-7 years, maybe 10 years, going all the way to the Supreme Court and they won. There's quite an opinion saying that it is egregious what the EPA is doing, but what they won was merely the right to take the EPA to court. So then the EPA persisted, saying 'fine, take us to court' and the Sackett family has now abandoned their lot, they've lost everything. They're now in, I believe, Washington or Seattle somewhere working entry-level jobs. They won their case at the Supreme Court level, and still lost everything – these are the stakes for the people that we represent. This issue of water, and I'm sure many of you have felt and seen that you have the issue with the forest service now having ground water regulations that are encompassing virtually all of the waters in the forests, you've got the Clean Water Act, and a variety of other things where the water issues come in. In Utah, we had a number of grazers where the forest service and PLM went to the grazers and said, 'unless you sign your water over to the United States, we will not renew your grazing permit'. It gets no more serious in the western states, but it's not restricted to the western states. In Texas, as I understand, the blue heron and the waterway there where they were saying that if the state was granting water rights out of the flow into the, I can't remember the name of the body of water, but the state couldn't grant water rights out because it would reduce the inflow to the estuary and that would somehow increase the salinity which would then affect this particular heron because it eats the crab. So they end up regulating even in Texas, with no public land, taking these same actions on water – The National Blueways Project and there are many others. This is a very, very serious situation in terms of that control on something that was so directly, inherently reserved to the states from the very beginning such as water. Any other questions, if not we will turn the time to (state legislator) in New Mexico, perhaps you can give us the one that I didn't mention – but the water situation in New Mexico and then introduce your amendment.

3. "Draft State Constitutional 'Water Is Life' Amendment"

One of the water issues that he refers to in New Mexico is the U.S. Forest Service is now fencing off the water from our cattle ranchers who own allotments in the name of repairing an area to protect the New Mexico jumping meadow mouse, where they say in public that these cows have actually stepped on a mouse or two and this is why they have to fence the cattle out. Yet, the deer, the elk, the feral hogs and everything else can still get over the fence. I mean, we could go all day on that so I appreciate getting to bring this particular piece of model legislation. It stems from the Clean Water Act, the rules that are being reviewed and brought forward right now as we speak. In fact you have until, I think, October to submit your opinions on what is happening. But I think this will be another tool/toolbox, a Constitutional amendment, and if several of the states could pass this I think it would send a huge message. I think we are really starting to pick up some momentum in terms of the federal government overreach in a number of areas – water is just another one, but a very vital one. I just want to let the committee members know that, right now the cost for obtaining a permit in the wetlands is \$271,000 and the average of 788 days, which is for an individual permit. So if we look at what some of these new rules might do to our agricultural operations, our construction industries... I mean, virtually anything with a bed and a bank is going to be regulated by the federal government. In the western states – we don't have a lot of water in New Mexico, but we have a number of arroyos, that when we have a significant amount of rain they will transport water and that could actually be considered connecting navigable waters together. So, this is very serious and I won't go through this entire Constitutional amendment because I think (previous speaker) did a really good job of going over the basics, what it means. On page one, lines 41-47 really state what the essence of it – (1) prohibiting the federal agency or federal government from enforcing regulations and (2) prohibit states or it's agencies and political subdivisions from using any of its personnel or resources to enforce federal regulation that we don't agree with. With that, Mr. Chair, because of the time I will stop there. I move that this amendment be passed, it was passed yesterday unanimously and I'd like to see it be passed again.

Q: Motion to move to approval of legislation

Vote: Public Sector: no opposition

Comment: The Supreme Court has said repeatedly that jurisdiction, the governing right, power and authority over health, safety, and welfare, what is also known as police power, is possessed by the states but not the federal government. They've said it repeatedly, and I appreciate the way that this is drafted – if you look at line 38. As we couch things that we intend to do actions on federalism rather than litigating after-the-fact, we couch that in terms of that jurisdiction of health, safety, welfare in the action. I mean, look at what you do: you put the federal government in the position of saying, 'no you can't protect your water', 'no you can't protect trees from burning down and the animals from being burned up', 'you can't protect the health, safety, and welfare'. We're finding in Utah with our counties acting, that's a formula that at least provides very fruitful discussion and working very well.

Presentation: Update on State Efforts toward a Balanced Budget Amendment

ALEC has passed two pieces of model legislation that we'd like to bring you up to date on: (1) probably 25 years old now, an Article V call for a Balanced Budget Amendment to the U.S. Constitution. Basically that would be the first step that would be necessary to be enacted or a resolution to be passed by 34 states. Once the 34 states have passed a similar resolution then Congress is required to set the time and place for the states to convene a convention of all 50 states to draft a proposed amendment to the U.S. Constitution that would then go back to the states for ratification – and that's the process that's never been used. (2) The second piece of legislation has much more recently been approved; in fact, it was approved by the board last January. We call it the Delegate Limitation Act; it's sometimes called the Faithful Delegate Act. My original thought was we should call it the No Runaway Convention Act but people said I shouldn't say that.

The first year we brought the bill for approval, we actually spent way too much trying to amend it, change it, and get everybody happy but finally we brought it back and we were able to find a solution that worked for everybody. In that bill, we left it up to each state to whether or not they want to do a civil penalty or a criminal penalty, should one of their delegates get to a convention and then trying to bring up subjects that were not actually part of the convention. After a lot of work, a lot of deliberation we got it figured out and passed through ALEC then passed through Florida – actually, 5 states. In fact, Indiana passed it within a few months, right after we got it done. Senator Dave Long has gone on a national campaign to educate state legislators on the benefits of insuring to the legislators and to the people that: delegates going to the convention from those states passing those laws would be subject to an immediate removal if they attempted to propose an amendment unrelated to the application, they would be replaced, their vote could be nullified. But it was really interesting to see almost uniformly in all of the five states that have passed it – they believe that you have violated your oath of office when you said you would not propose an amendment as a delegate, unrelated to the application and if you violate that oath you should be subject to criminal penalties. In Indiana it's five years in jail, it's a felony in all five of these states. We think that this is a very significant step; in fact, roughly half of the states have already started considering it. We are recommending it to every state that does not have it even if you don't have an active application because when you get going to the convention, and there has to be a convention in this country, you don't want your delegates being able to go rogue without consequences. So we strongly urge this model legislation be considered by every state that does not already have it.

The bill is very important because it really put the minds at rest of the folks concerned about a runaway convention. This additional safeguard was helpful in getting people to understand how important the convention was but then just another step in the right direction, in terms of satisfying their concerns of a runaway.

Following up on the earlier report on increased activity on Article V in general; there are questions about the balance of power and the balance of our federal finances that cannot be resolved with the U.S. Supreme Court, cannot be resolved with electing a new team – they have to be addressed constitutionally, carefully, and soon. That is what our founder's expected and anticipated. In fact, the closing argument for ratifying our Constitution – the closing argument by Alexander Hamilton in Federalist 85 was: 'if you don't think it is working the way you want, you as states, if 2/3 do not agree on the direction of the country, you can propose an amendment. If 3/4 of the states agree, you can ratify it – you can change the direction of the country without going through Congress, the U.S.'

Supreme Court, or the Executive Branch.' That is a power that has been threatened, but never actually used. The heart of federalism has been ripped out over the years, as you all know, and there is a way to restore it – that is, through Article V. In the next 12 months, we would like to have those 34 state applications needed to trigger the nation's first amendment convention.

It has been a really momentous past 8 months for the Article V movement. Not only have we passed Article V applications, COS represented by Georgia has passed three, (*unknown word, believe he is referring to a company*) with this compact I believe has passed two. We have been lucky and have passed six in the past 8 months, they include: Ohio, Florida, Georgia, Michigan, Louisiana, and Tennessee. We've had very high levels of bi-partisan support, especially in Tennessee and Louisiana – Louisiana passed the application 100%, it was a unanimous vote and very rarely will you see that in the states. As mentioned before, we have been working on delegate limitation acts – 25 have been considered over the past several years. Recently, since January of this year (2014), 5 states have passed them: Florida, Georgia, Tennessee, Indiana, and Utah. I know Texas will be considering a delegate limitation act in this next session, so we're excited about that. We would like to see the majority of states pass that – that'll ensure that the delegates are restrained at the convention.

On page 12, we have a map: the green states are the states that have passed BBA applications, the yellow states are our target states. We need to get these done by next year and by July we can potentially reach 34 state applications. I would like to thank some of the legislators who are here:

Lastly, I would just like to thank ALEC. ALEC has just been so supportive for us, thumbs up, thank you.

Couple of notes: there is an Article V Caucus that does not relate to any specific issue, but if you join the Article V Caucus you'll be kept posted on what your fellow legislators are doing in other states. It is an extremely good newsletter that comes out monthly, Stu MacPhail is the unpaid Executive Director of the Article V Caucus – Stu if you would like to mention how people can sign up for it.

This is a quote from Ronald Reagan, who was very excited to work with ALEC in the early days of this model legislation, was a champion for using Article V to get to a BBA: "unless we act and act quickly, the people in the White House and those running Congress will bankrupt America – I urge everyone to get onboard and help. With that final 10 state resolutions – and we amended that, that's what we've got – If not now, when? If not us, who?" This was a letter to Lou Uhler, 23 March 1994. We've got ten states to go, we ask you to sign this pledge to support a Balanced Budget Amendment to the U.S. Constitution that 74% of the American people believe is the second greatest priority in this nation today, after jobs. I ask you to sign this to let your voters know that you're on their side and that you're on the side of fixing the problem that threatens to solve and save our country.

Quick quiz: anybody know what the national debt was when Ronald Reagan said that? It was slightly over one trillion (\$). We overspend by that much annually now. You think of the opportunities lost and it really is amazing. On Federalist 85 that was mentioned – that's where Alexander Hamilton made the statement: 'we the people may safely rely on the disposition of the state legislatures to erect barriers against the encroachments of the national authority'. This isn't just nice and we should do this – this is the duty we swore to uphold in Article VI of the Constitution and it's an amazing time. Thank you for advancing that conversation of the powers that we have.

We turn the time over to hear about another aspect of these Article V powers.

Presentation: Single Subject Amendment

Our mission is to amend the U.S. Constitution to add a single subject provision, the language would read something to the effect: 'Congress shall pass no bill and no bill shall become law which embraces more than one subject, with that subject being clearly expressed in the bill's title'. To most of you, you're going to recognize that language. We have single subject title provisions in 41 state constitutions, which constitutionally prohibit the use of riders in state legislation. But that provision is missing in the U.S. Constitution so it is our mission to add that to our Constitution. As all of you are aware, there are only two ways of proposing an amendment to the U.S. Constitution: (1) a joint resolution in Congress – if adopted by a two-thirds vote in both houses then Congress can propose an amendment to the U.S. Constitution. I am happy to report that we are pursuing both methods and I am happy to report that, perhaps, by tomorrow or next week we will have a bill number on a joint resolution in Congress. We're very excited about that. However, we all recognize that it will never see the light of day so we will get a companion bill in the Senate. But, we're taking the other approach, which is (2) an Article V convention, which you all know will be convened upon application of 34 state legislatures. I am also happy to report that through our efforts, the

Florida legislature passed our bill, making application to Congress to convene an Article V convention for the purpose of proposing a Single Subject Title provision. So we are credentialed now, we are bonafide and we are ready to go. It is our hope that ALEC will adopt our proposed ‘Single Subject Amendment’ application bill as model legislation. We are also in hope that those of you legislators that are here from your respective states will take this model legislation and introduce in your respective state legislatures.

Our proposed amendment is not substantive, it’s purely procedural isn’t it – single subject title. We are promoting that fact, it is not substantive, it is only procedural but an adoption of this amendment will have a profound and positive impact on the method by which Congress conducts its business. There is pure evidence of that in 41 states that enjoy the benefit of this – those legislatures and the citizens of those states who benefit from it. Our proposed amendment is a simple solution; it is non-partisan and has received bi-partisan support.

There are two sentences in the memorial that passed Florida that is in the model legislation that crystallizes the need for this amendment: ‘a federal single subject amendment would provide the means to limit pork-barrel spending, control the phenomenon of legislating through riders, limit ominous legislation produced by law of ruling, prevent surprise, and increase the institutional accountability of Congress and its members. Congress will be able to conduct its business in a more productive, efficient, transparent, and less acrimonious way with a single subject requirement.

Thank you very much for your efforts and presenting for us today.

Federalism, something we really need to focus on – I think something we’re getting away from in the real world outside of ALEC and some of our legislative bodies – is state sovereignty. I think people are forgetting how much power the states have and I think it’s time that we really start bringing policy forward, in this case a memorial that we can use and pass collectively through our states because I think now we are seeing more and more states come together and get caught up to where we should be as it relates to getting state sovereignty back, front and center. I think that is the only way we are going to be able to rein in the federal government. It’s only fair that we make Congress live by the same rules that we have to.

With that, on page 2 line 52 – I do want to just point out a couple of things. This will be now a, ‘therefore be it resolved, to call a convention for the sole purpose of proposing an amendment to the Constitution of the U.S. provide that Congress shall pass no bill and no bill shall become law which embraces more than one subject, that subject to be clearly expressed in the title of the bill’. The next thing I want to point out to everybody is (2) that this memorial would be revoked, withdrawn or nullified if it were used for any other purpose than requiring that every law enacted by Congress embrace only one subject’. I just want to make sure that everyone read that – that this would actually not be used for any other purpose than specifically what this memorial is for.

Q: Motion to pass the “Draft Memorial Support of Article V Convention to Propose a Single Subject Amendment to the U.S. Constitution”, with a favorable recommendation

Vote: Public Sector: no opposition
Private Sector: no opposition

Closing Remarks & Housekeeping Comments

I just want to comment on this – you are all to be very much commended, everyone in this room. It’s been a great honor to associate with you. Think of how you have advanced the conversation, it’s incredible. It really is a very small helm that steers a large ship and you are to be commended, I am honored and it is fun to see all of you that we have associations with here and outside of here. The work that you are doing is advancing a conversation that is absolutely critical. Thank you very much for what you all are doing. That concludes our business; I have a couple of housekeeping items that I want to point to your attention.

Tomorrow we are having a Federalism roundtable. We’ve been conducting business and doing all sorts of things. Tomorrow we want to roll up our sleeves and start talking about: how do we play team ball? This isn’t going to work if we allow any one of our states to be cut out of the herd and left to slaughter. That is what the Founder’s, the model they gave us in the Committees of Correspondence, they built the network from 1772, before they had

the temerity to declare independence on July 4. They didn't just get up that morning and say, "I've got a great idea" – they had built a very sophisticated network to support one another in their actions. We have some commitments and renewed commitments, new obtaining of religion within ALEC even, to start moving forward.

I'll just tell you, I had the opportunity to speak at the Texas Public Policy Foundation on Monday and we met with some folks on Tuesday morning in Austin that are fairly high-profile within the energy and business industry. They said very frankly, 'we never saw the value proposition of federalism, we never saw how to make that work and where to go – but, we simply have nowhere else to go. Even if we win the Senate, the agencies are just so entrenched it would be decades before we see that ship turn around'. And yet, if you look at an electoral map from 2012 – and I don't mean to say that as a Republican or Democrat, but – red and blue, representing more conservative values versus the types of things that Minister Helmer was talking about, the map is still predominately red. We have the opportunity within those jurisdictions to move the ball forward in a tremendous fashion if we focus on what we have instead of what we don't have. I think you will see going forward that we're going to see some new opportunities within ALEC. You've got Curt Bramble who is now going to be the incoming President of NCSL (National Conference of State Legislatures) and he has a requirement within NCSL that everything they do must also have a federalism component. CSG (Council of State Governments) is now starting to beat that drum. It may not be as fast or as far as we wish, but think of how you're advancing the conversation.

One other item we have tomorrow – a free-market economic stimulus discussion on energy exports. We have energy that we can't use, but then we can't even sell it. We can't even get it on the rails and get it to the ports to the people that would use it.

Lastly, I want to help you help us help you. The western land issue is not a western land issue, there is \$150 Trillion in mineral value locked up – think about that – locked up in the federally controlled lands. Beyond that, this is wildfires more than 250 acres. Even down here where you have federally controlled land in the east, the wildfires are where the federally controlled land is. What's happening is that we're burning nearly 10 million acres per year with 'one-size-fails-all forest' policies, where they're managing the land for maximum combustion burning millions of animals – tens of millions of animals, destroying the habitat and the water shed and sending all of that into the air. That is what we're allowing to be called 'environmentalism' if we don't engage in the field. Worse yet, those of you not from the west are paying \$10 Billion per year for this privilege: to have us not use our own lands and resources, to care for our own kids and communities, and to have that kind of environmental management.

South Carolina passed a resolution supporting the transfer of public lands for their own interests. I would like to invite you all to do the same. I have a thumb drive that has the resolutions, FAQs, videos, and backup information; if you're interested in running this in your state I have plenty of these and I will get them to you. That is exactly what the Committees of Correspondence did – they would pass resolutions supporting one another to work together that built the network that led to greater action.

"Congress has been given the right to legislate in particular subjects, but this is not the case in the great matter of vital problems of government such as: public utilities, banks, insurance, business, agriculture, education, social welfare, and a dozen other important features. In these, Washington must not interfere." – FDR

Comment I am not a member of the committee, but I just wanted to provide some information for the benefit of the committee as we're talking about this Article V issue. In South Dakota we had introduced both a Balanced Budget call for convention and a convention of states, unfortunately both had failed this year. One of the challenges we face in trying to move this issue forward is an issue of helping people to see the value proposition in getting a coalition together that can help move it forward. One other idea that a friend of mine had brought to me, just for your informational consideration – it's called the 'regulation freedom amendment'. It says that 'whenever one-quarter of the U.S. House or the U.S. Senate transmit to the President the written declaration of opposition to a proposed federal regulation it shall require majority vote of the House and Senate to adopt that regulation. Maybe a benefit of considering this for some of your private sector members is that, regulation is something that is faced by both industry and individuals so it can help to at least see ideas like this start to form that coalition because it does take all of us working together towards this end and figuring out what the rules are going to be in order to call a successful convention and have a successful convention – 'americanopportunityproject.org' if you're interested in reading about that.

Any other comments?

Comment: I think being in the International Task Force, I don't know if it's coincidence or not but – Greece couldn't pay its bills, its economy is down 25%, the stock market is down 85%, there are riots in the streets, and they couldn't pay their bills. Ukraine could not pay its gas bill and that's a good part of the reason why they're in break-up mode. Argentina defaulted – their stock market is down 8%, so if that was the Dow Jones that would be roughly 1,200 points. Their bonds are roughly 10%, if we had to pay 10% on our bonds that would take pretty much all of our revenue. So this is an extremely bad time to be the 11th worst financially positioned country in the world in terms of debt-to-GDP, we have to stop it and the states are the only way to do it. (*interjection:* or we can just continue to pretend to print prosperity and perpetuity.)

Thank you so very much for what you're doing. Again, you are to be congratulated for how you're advancing the conversation. We will stand adjourned, see you in December.

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